

Small Agency Council – Procurement Committee

April 17, 2013

Key Tenets of a Successful Contracting Organization

Jim Blades,
Senior Procurement Executive
Millennium Challenge Corporation

Agenda

- **Managing a Contracting Organization in a Small Agency**
- **Key tenants of a successful contracting organization**

Federal Acquisition

- Federal Acquisition encompasses the entire life cycle for products and services, from defining mission need and developing requirements, to evaluating alternative solutions, defining an acquisition strategy, soliciting and awarding contracts, and managing performance after award.
- Federal Acquisition is governed by a complicated statutory and regulatory framework, and is unique to the government in that it must consider
 - Public policies on socioeconomic programs
 - Full and open competition
 - Organizational conflicts of interest, etc.

Acquisition and Contracting in Small Agencies

- Acquisition Process vs. Contracting Processes
- Strategic versus Transactional
- In small agencies, most of us are performing the duties of SPEs, HCA, and ensuring we are Small Business Advocates and that we at least identify a competition advocate
- Some of us are wearing multiple hats, getting involved in all of it, both acquisition and contracting, strategic and transactional, being proactive and reactive
- GAO's 2005 framework defines four cornerstones that "promote efficient, effective and accountable acquisition functions", they are:
 - Organizational Alignment and Leadership
 - Policies and Processes
 - Human Capital
 - Knowledge and Information Management

Continuum of a Procurement/Contracting Organization

“Shall” means the imperative

Intent

“Should” means an expected course of action or policy that is to be followed unless inappropriate for a particular circumstance.

Legality

STATUTES

- ❑ FAR contains 152 references to the term “statute”, which includes all applicable amendments, unless otherwise stated

PUBLIC LAWS

- ❑ FAR Contains 67 instances of P.L.

ACTS

- ❑ FAR contains 2,095 instances of “Act”

UNITED STATES CODE (U.S.C.)

- ❑ FAR contains 25, and 1,158 instances of “U.S.C.”, various chapters/titles

EXECUTIVE ORDERS

- ❑ FAR contains 201 instances of “executive order” and 75 of E.O.

Regulatory Compliance

FEDERAL ACQUISITION REGULATION contains:

- ❑ 8,177 instances of “shall”
- ❑ 971 instances of “should”
- ❑ 858 instances of “shall not”
- ❑ 1,385 of “procedures”, 223 instances of “agency procedures” and 94 instances of “agency regulations”
- ❑ 495 instances of “policy”, 5 of which state “agency policy”
- ❑ 10 instances of “Code of Federal Regulations”, and 641 of “CFR”
- ❑ 200 Rules are processed per year

Office Of Federal Procurement Policy:

- ❑ Has issued 40 Policy Letters since 1974, many of them updates on topics

Best Practices*

FEDERAL ACQUISITION REGULATION contains:

- ❑ 7 instances of “best practice”

Office of Federal Procurement Policy (OFPP) promotes Best Practices (BP) for:

- ❑ Competitive Sourcing
- ❑ Contracting with Small Businesses
- ❑ Human Capital
- ❑ Electronic Government
- ❑ Performance Management
- ❑ Contingency contracting
- ❑ Federal Procurement Data
- ❑ Transparency
- ❑ Cost Accounting Standards

* Best practices are practical techniques gained from experience [*its own and others*] that agencies may use to improve the procurement process, helping to promote the President’s Management Agenda and specific acquisition-related initiatives and policies.

Acquisition Legislation

includes the following CAO duties

- ☐ Monitoring the agency's acquisition activities,
- ☐ Evaluating the agency's acquisition activities based on applicable performance measurements
- ☐ Increasing the use of full and open competition in agency acquisitions
- ☐ Making acquisition decisions consistent with applicable laws
- ☐ Establishing clear lines of authority, accountability, and responsibility for acquisition decision making
- ☐ Developing and maintaining a acquisition career management program
- ☐ Require annual strategic planning and performance evaluation process
- ☐ Assess agency requirements for agency personnel knowledge and skills in acquisition resources management
- ☐ Develop strategies and plan for hiring, training and professional development.

An agency with a “Best Practices” procurement culture requires more than quality and timely contract actions...

Agency ACQUISITION REGULATIONS, POLICY, AND INSTRUCTIONS that are in sync with the FAR, OMB, OFPP and other Initiatives but, that exhibit:

- ☑ Flexibility (FAR 1.102-4)
- ☑ Transparency
- ☑ Maximum Competition
- ☑ Fairness and Integrity
- ☑ Small Business Opportunity
- ☑ Highlight use of FAR 8.4, 12.6, 13, 17, 37, And Purchase Cards



BEST PRACTICES

- ☐ *INTENT* of Compliance Model
- ☐ Customer Service Operating Model
- ☐ Strategic Planning tied to Agency Goals, Commensurate with Resources Performance Measure(s) & Dashboard(s)
- ☐ Small Business Goal Setting
- ☐ Partnerships with Small Businesses
- ☐ Leveraging Existing Vehicles and Tools (Inter Agency, Multiple Award, and GWAC for Fair Opportunity Competition)
- ☐ Leveraging Strategic Sourcing Initiatives
- ☐ Leveraging E-government Initiatives
- ☐ Collaboration on Intelligence, Automation, Performance, and Risk among Procurement, Finance and IT
- ☐ Modular Contracting for IT Products and Services
- ☐ Talent Management Focus – CO & COR
- ☐ Developing/Integrating Acquisition Workforce (CO/COR/PM) in support of mission objectives
- ☐ Communication Strategy(ies) and Plan(s)
- ☐ Contracts Management - Continuous Monitoring and Improvement Focus
- ☐ Past Performance Information Reporting
- ☐ De-Obligation and Closeout Focus

MCC's Successes Based On

Contracting Approaches

Appropriate mix of vehicles best suited to MCC's needs
FAR 1.102-4 (e) as guide:

- ✓ Maximizing Competition
- ✓ Purchase card use
- ✓ Simplified Acquisition Procedures
- ✓ GSA Schedules
- ✓ Commercial Items
- ✓ Reverse Auctions
- ✓ MCC Multiple Award Vehicles (IDIQ and BPA)
 - A-E Services
 - Impact Evaluation
 - Language Translation
 - Legal Services
 - IT Products/Services
 - Individual Consultants
- ✓ Government Service Providers
- ✓ Interagency Agreements
- ✓ Personal Services Contracts
- ✓ Modular IT procurements
- ✓ Pilots to Explore/Test the Cloud
- ✓ Assistance Agreements

Best Practices –

Compliance

- ✓ Take what you inherit and refine it one step at a time
- ✓ Established a Contracts Division Strategic Plan around business needs, resources and measurable outcomes
- ✓ Established and maintain policy around contracting, assistance agreements, and charge cards
- ✓ Established and Published Procurement Action Lead Time (PALT)
- ✓ Obtained a Contract Writing System, track, report and manage with results
- ✓ Establish Small Business Goals, publish procurement forecast(s), and conduct outreach quarterly
- ✓ Developed and maintain FAC-C and FAC-COR programs, conduct operational review, enforce use of FAITAS
- ✓ Developed CPARS Program (strategy, training, implementation) for reporting, track compliance
- ✓ Developed Quality Review Board Process to trouble-shoot issues and address compliance
- ✓ Established and Conduct FPDS-Data Quality audits, report results
- ✓ Conduct De-Obligation Exercises

Best Practices –

Employee & Customer Satisfaction

- ✓ Reorganized around customer organization needs
- ✓ Established Customer Resource Website for quick guides, flowcharts, Q&As, example documents, staff listing, POCs and schedules for accessibility
- ✓ Conduct customer outreach and created training modules to refresh on MCC specific COR training issues
- ✓ Established Performance Plan & Individual Development Plan Expectations, enforce them
- ✓ Established and maintain Acquisition Instructions and Standard Operating Procedures
- ✓ Support both FTE and Contractor FAC-C certification and continuous training requirements
- ✓ Enforce Program for FAC-CORS, tracking training & certifications
- ✓ Proactively address issues as soon as they arise
- ✓ Use the Flexible Workplace Policy
- ✓ Regular Briefings to Senior Management on key issues

Key Take-Aways

- SPEs who inherit a new agency have a “blue sky” to create an efficient and effective organization
- SPEs who inherit an agency that is in good shape should do their best to improve around the edges
- SPEs who inherit a poor organization should prioritize from the statutory to the regulatory compliance, then on to best practices
- Intent to comply commensurate with available resources (time, money, people) is better than taking no steps at all towards compliance, i.e., some progress is better no progress